

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
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In the matter of:)	Docket No. 14-IEP-1
)	
Preparation of the)	
<u>2014 Integrated Energy Policy Report Update</u>)	

2014 Integrated Energy Policy Report Update Scoping Order

In this order, the California Energy Commission's Integrated Energy Policy Report Lead Commissioner Janea Scott establishes the scope and general schedule for the *2014 Integrated Energy Policy Report Update (2014 IEPR Update)*.

Background

Senate Bill 1389 (Bowen and Sher, Chapter 568, Statutes of 2002) requires the Energy Commission to "conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices." These assessments and forecasts are used to develop recommendations for energy policies that conserve state resources, protect the environment, provide reliable energy, enhance the state's economy, and protect public health and safety. The Energy Commission includes these energy policy recommendations in its biennial Integrated Energy Policy Report that is issued in odd-numbered years.

SB 1389 also requires the Energy Commission to prepare an update in alternate years to provide a progress report on issues raised in the biennial IEPR or to identify new energy issues that have arisen during the intervening year (Public Resources Code, Section 25302, Subd. (d)). The *2014 IEPR Update* will fulfill that requirement.

Pursuant to Public Resources Code Section 25300(d), "The Legislature further finds and declares that timely reporting, assessment, forecasting, and data collection activities are essential to serve the information and policy development needs of the Governor, the Legislature, public agencies, market participants, and the public". On January 15, 2014, the Energy Commission adopted an Order Instituting Information Proceeding to gather and assess information to assist in preparing the *2014 IEPR Update*. The adoption of the order guaranteed that the Lead Commissioner can collect information related to specific topics that will be addressed in the *2014 IEPR Update*.

Scope of the 2014 Integrated Energy Policy Report Update

The *2014 IEPR Update* will focus on transportation in light of California's energy and climate goals. Given that this is an update, the Lead Commissioner is focusing the scope of the document on the following topics listed below.

1. Alternative and Renewable Fuel and Vehicle Technology Program

Assembly Bill 8 (Perea, Chapter 401, Statutes of 2013) extends funding of the Alternative and Renewable Fuel and Vehicle Technology Program through January

1, 2024. The program was originally created under Assembly Bill 118 (Nunez, Chapter 750, Statutes of 2007) and provides up to \$100 million per year in grant funds to develop and deploy a portfolio of advanced fuels and vehicle technologies to help meet the state's climate goals. While AB 8 does not change overall program goals or funding levels, its recent reauthorization presents an opportunity to build on the in-depth assessment of benefits that may be achievable and to develop potential strategies to support transformation of the transportation sector over the next decade. As part of the *2014 IEPR Update* proceeding, the Energy Commission anticipates considering the following topics: experiences with Alternative and Renewable Fuel and Vehicle Technology Program implementation to date; best information on current, and future, fuel and vehicle technologies and market penetration, transportation policy scenarios, alternative funding mechanisms; and strategies for measuring investment benefits and monitoring progress. The *2014 IEPR Update* will identify specific action items related to portfolio strategy, potential funding mechanisms, coordination within the state's transportation policy framework, and benefits measurement and monitoring. Finally, the *2014 IEPR Update* will provide a brief overview of on-going research work on climate change with respect to the transportation system in California and briefly review the existing technical literature on this topic with a focus on impacts, adaptation options, and opportunities for greenhouse gas emission reduction.

2. Renewable projects in the Desert Renewable Energy Conservation Plan

In the *2012 IEPR Update* and *2013 IEPR*, the Energy Commission discussed renewable energy planning and land use. The *2014 IEPR Update* will address renewable energy planning, including an update on the Desert Renewable Energy Conservation Plan (DRECP) and related local government planning initiatives and their relationship to transmission planning and procurement.

3. Energy Efficiency Program for Existing Buildings

Assembly Bill 758 (Skinner, Chapter 470, Statutes of 2009) directs the Energy Commission to develop and implement a permanent and ongoing, comprehensive program to achieve energy savings in California's existing residential and nonresidential buildings, and to report on the status of the program in its biennial *Integrated Energy Policy Report*. As reported in the *2013 IEPR*, the Energy Commission issued its *Draft Action Plan for the Comprehensive Energy Efficiency Program for Existing Buildings* in June 2013, and public workshops were held throughout the state to solicit feedback on the draft action plan. As part of the *2014 IEPR Update* proceeding, the Energy Commission anticipates hosting a workshop that will further discussion on implementation of AB 758 and mechanisms for achieving widespread adoption of energy-saving technologies and practices in existing buildings as the state works to meet its climate and energy goals.

4. Electricity Update

As part of ongoing efforts by the Energy Commission, California Public Utilities Commission, and the California Independent System Operator to improve the process alignment of the state's energy planning efforts, the Energy Commission committed to update the California Energy Demand Forecast in each *IEPR* update cycle. The 2014 update of the California Energy Demand Forecast will be limited to

updating economic and demographic projections, adding another year of historical peak and consumption data, and making any needed corrections. The *2014 IEPR Update* will also provide an update on the Energy Commission's assessment of California's electricity infrastructure planning and procurement challenges while maintaining resource adequacy and reliability. Southern California faces additional challenges with the closure of the San Onofre Nuclear Generating Station and the State Water Resources Control Board's policy to phase out the use of once-through cooling in power plants. As part of the *2014 IEPR Update*, staff will provide an update on progress with the interagency effort to maintain reliability in Southern California.

5. Changing Trends in California's Sources of Crude Oil

The Energy Commission is also planning to convene a workshop which will highlight changing trends in California's sources of crude oil and the impacts of these trends on the transportation energy market and existing government policies. The discussions will focus on existing and possible new roles of federal, state, and local government to address the market changes.

2014 Integrated Energy Policy Report Update Schedule

The Lead Commissioner directs the staff to use the following general schedule. As workshop topics and dates are finalized, the Energy Commission will post notices on its website and notify stakeholders at least 10 days in advance of each workshop date. The schedule will be posted and regularly updated at http://energy.ca.gov/2014_energy_policy/.

Task/Event	Date(s)
Final Scoping Order released	April 2014
Public workshops on specific topics	March 2014 – December 2014
Release draft <i>2014 IEPR Update</i>	Late October 2014
IEPR workshop on draft report	Mid November 2014
Release final <i>2014 IEPR Update</i>	Late January 2015
Adopt <i>2014 IEPR Update</i>	February 2015

Participation in the Integrated Energy Policy Report Proceeding

Policy recommendations contained in the *2014 IEPR Update* will be based on the record developed during the proceeding, including data and technical analyses by the staff and stakeholders. Analysis and information developed in other proceedings at the Energy Commission and by other agencies will be incorporated as appropriate. Participants are directed to use the IEPR docket number 14-IEP-1 and associated subdockets when submitting information for the Lead Commissioner's consideration which are as follows:

- 14-IEP-1A - General/Scope
- 14-IEP-1B - Transportation
- 14-IEP-1C - DRECP/Renewables
- 14-IEP-1D - AB 758/Energy Efficiency
- 14-IEP-1E - Electricity

The Lead Commissioner encourages the active participation of all interested and affected participants because public input is essential to ensure a complete and thorough record. As in previous proceedings, the Lead Commissioner recognizes that close coordination with federal, state, local, and other agencies is critical to identifying and addressing energy infrastructure and related environmental challenges. The Lead Commissioner directs staff to continue working with these agencies to ensure their participation in this proceeding.

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this proceeding, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at PublicAdviser@energy.ca.gov.

The service list for the *2014 IEPR Update* and associated key topic proceedings is handled electronically. Notices and documents for these proceedings are posted to the Energy Commission website at www.energy.ca.gov/2014_energy_policy/. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. Parties interested in receiving these notices should sign up for the list server through the Energy Commission's website at www.energy.ca.gov/listservers/index.html.

Technical questions should be directed to Heather Raitt, Assistant Director for Policy Development, at (916) 654-4735 or by e-mail at Heather.Raitt@energy.ca.gov. News media inquiries should be directed to the Media and Publications Office at (916) 654-4989 or by e-mail at mediaoffice@energy.ca.gov.

Date: April 3, 2014

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Lead Commissioner
2014 Integrated Energy Policy Report Update

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